

806 KAR 38:040. Financial projections; area overlapping.

RELATES TO: KRS 304.38-040

STATUTORY AUTHORITY: KRS 304.38-150

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.38-040 provides that a health maintenance organization supply the executive director information upon application for certificate of authority. This administrative regulation explains the authenticity of the health maintenance organization's financial projections and possibility of overlapping health maintenance organizations within a particular geographic area.

Section 1. The three (3) year projections for the financial program of the applicant health maintenance organization shall be prepared by an individual who has satisfied the executive director by virtue of his training, education and experience that he is qualified to make such projections.

Section 2. The existence or proposed operation of health maintenance organizations in the same geographic area that could affect the number of prospective enrollees of the applicant health maintenance organization shall be disclosed to the executive director in the description of the initial geographic area to be served.

Section 3. In noting the sources of working capital and funding, the proposed health maintenance organization shall inform the executive director whether there are grants, loans or loan guarantees from the federal government; if so, the amounts thereof, rates of interest, if any, the schedule of repayment, if any, of the principal and interest. If the working capital and funding is derived from other than through the federal government, indicate such source, giving details of such program, including any schedule of repayments of principal and interest on loans which may have been made. (1 Ky.R. 1090; eff. 7-2-75; TAm eff. 8-9-2007.)